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WORLD-POLITICS.

LONDON: BERLIN: ST. PETERSBURG: WASHINGTON.

LONDON, *December, 1904.*

THERE are few things more wonderful or more interesting in the history of modern commerce than the growth of the beet-sugar industry. Thirty years ago, it scarcely existed; its total product was less than a million tons. To-day it yields, I suppose, about six times that amount. Thirty years ago, the quantity of sugar extracted from the beet-root was not more than five per cent.; to-day it is all but fifteen per cent. Two factors have combined to produce these results. One is the extraordinary enterprise of the Continental, and especially the German, manufacturers and producers, and their devotion to new and better methods. The other is the bounties which the Continental Governments have voted to promote the industry. From the combination of these two factors certain consequences have flowed of immense moment to Great Britain. One is that the development of cane-sugar has been cramped. Thirty years ago, the production of cane-sugar available for export was over half as much again as the world's production of beet-sugar. To-day there is, roughly, twice as much beet-sugar produced as cane-sugar. The output of the former has more than quintupled, while the output of the latter has less than doubled, since the early seventies. All cane-sugar countries have felt and suffered from the competition of bounty-fed beet-sugar, but no country more severely than the British West Indies. The reason why the British West Indies have suffered with peculiar severity is partly because they have been cut off from their near and natural market in the United States, and forced to depend on the distant market of Great Britain, and partly because the West-Indian planters have lacked the science, energy and organizing capacity of their beet-growing rivals on the Con-

tinent. It has been fiercely argued, and as fiercely disputed, that bounty-fed beet-sugar would ultimately drive the production of cane-sugar out of existence, that unless the Continental Governments could be persuaded or coerced into abolishing the bounty system the British West Indies were as good as ruined, and that the Continental beet-growers would be in a position to monopolize the British market and exact what prices they pleased. It seemed, at any rate, to be established that the British Government, being responsible for the welfare of the British West Indies, lay under the obligation of doing all it could to get rid of the bounty system.

But here Imperial interests clashed with home interests. If it was to the advantage of the British West Indies to abolish bounties, it was equally to the advantage of England herself to maintain them. And for this very obvious reason. The Continental beet-growers could afford to sell sugar in the British market at less than cost price. Practically all Europe was taxing itself in order to provide Great Britain with cheap sugar. The bounties paid by the Continental Governments went directly to Continental growers and refiners, but indirectly and with still greater benefit to British traders, manufacturers and housewives. Under the operation of the bounty system it was possible for the British consumer to buy sugar at one-half or one-third the price paid for it in the Continental producing countries. The command of this immensely important raw material, at prices far lower than any other rival could purchase it, gave to British manufacturers an opportunity they turned to the fullest account. The confectionery and candy business, the mineral-water business, the jam and pickle business, the biscuit business were built up and developed on the basis of cheap sugar. What was there that could tempt the British Government into depriving the country of the great and manifold advantages which the policy of the Continental Powers had bestowed upon it? Well, there was, first of all, the necessity of "doing something" for the West Indies; and, secondly, there was the fear that, having crushed out the competition of cane-sugar, the Continental beet-growers could afford to surrender their bounty in return for the monopoly of the British market, and that an international trust which would unite the manufacturers in the chief beet-growing countries into a single association and effectively control production, distribution

and prices, would infallibly ensue. To this it was replied that the imports of West-Indian sugar amounted to only some three per cent. of the total British imports of sugar; that to ask Great Britain to pay more for its foreign sugar (ninety-seven per cent. of the whole) in order that it might also pay more for its colonial sugar (three per cent. of the whole) was Imperialism run mad; that the Continental Governments were so deeply committed to bounties that they were about as likely to give them up as to disarm; and that to talk of a monopoly of sugar—the production of which, both from beet and cane was constantly increasing—was as absurd as to talk of a monopoly of corn or cattle. The true policy, it was contended, was for Great Britain to continue to take advantage of the artificial cheapness of sugar as long as possible, and for the West Indies to wake up to the necessity of up-to-date methods.

But Mr. Chamberlain thought otherwise. The West-Indian planters and British sugar-refiners, who had tried for forty years to abolish the Continental bounties, found him an easy mark; and his surrender to their arguments in 1902 marked—though few of us perceived it at the time—his first plunge into Protection and Colonial Preference. It was at his instance, and by the power of his authority, that Great Britain in 1902 entered into the Brussels Convention. Ten sugar-producing and sugar-exporting countries, and Great Britain, which does not produce sugar, but only imports it, were the parties to this Convention. Under its terms, the Governments of the aforesaid ten countries agreed to abolish bounties. Great Britain bound herself not to import sugar from any country which was not a party to the Convention, and which gave bounties. Bounty-fed sugar from the self-governing British colonies might still be imported; but in the Crown Colonies the British Government undertook to grant no bounties. A Permanent Commission of eleven members was established to superintend the workings of the Convention during the five years for which it was to be in force. Among the countries from which Great Britain virtually pledged herself to receive no imports of sugar were, and are, Russia, Egypt, Denmark, the United States, Cuba, the Argentine Republic, Brazil, Chile, Peru, Java, and the Philippines. Such, in rough but, I think, adequate summary, was this Convention. How has it worked? In July, 1902, the price of German eighty-eight per

cent. Beet-sugar, f. o. b., was \$1 50 per cwt.; in February, 1903, when the Convention was ratified, it rose to \$2; in September, 1903, when the prohibition of bounty-fed sugar was first enforced at the ports of the United Kingdom, it rose again to \$2 12; in May, 1904, it went to \$2 33; in September, 1904, to \$2 72; and at the present moment it stands at the abnormal figure of \$3 50. In other words, Great Britain is now paying more than twice as much for her sugar as she was paying two and a half years ago.

That much of this increase is due to the drought of last summer and the shortage of nearly a million tons in the year's production of beet-sugar is incontestable. But it is also incontestable that the increase has been enormously aggravated by the workings of the Convention. Ever since the Convention went into force, prices have steadily risen; and, though the extreme jump of the last few weeks is the result of a produce exchange gamble, an increase which has lasted over a period of three crops cannot be explained away by temporary and accidental circumstances. If deficiency of production were the sole cause of the enhanced price all countries would be suffering alike. But, as a matter of fact, the whole burden of it falls on Great Britain. In Switzerland, which is not a party to the Convention and which is importing all the sugar it needs, whether bounty fed or not, the price per cwt. is \$1 25 less than in London. Were Great Britain in the same position of freedom, she would now be receiving bounty-fed sugar from Russia and Argentina at prices that would quickly blow the Continental "corner" to pieces. But, having deliberately restricted her sources of supply to the countries that were parties to the Convention, she finds herself in precisely the same position as Lancashire during Mr. Sully's raid on the cotton market. The supporters of the Convention reply that prices have fluctuated just as wildly in the past, and that, by giving cane-sugar a chance of life, the Convention must in the long run not only increase the area of cultivation but make for stability, if not for a lowering, of prices. But so far the Convention has worked in a precisely opposite direction, and at least \$40,000,000 of the increased cost of sugar during the past year is due to it, and to it alone. Very little of this increased price has found its way to the West-Indian planters. The country has, in fact, mulcted itself in \$40,000,000, in order to make a beggarly present of \$500,000, or so, to the West Indies.

Nor is this all. The Continental countries, relieved of the onus of a bounty and protected by a surtax, have, since the ratification of the Convention, greatly increased their consumption of sugar. Prices with them have fallen even more than they have risen in England, and sugar to-day is very little, if at all, cheaper in London than in Paris, Berlin, Brussels or Vienna. For the year ending last August, the consumption of sugar in Germany, France, Austria, Holland and Belgium increased fifty-four per cent.; in England, during the same period, it decreased three per cent. One consequence of all this is that the trades which in England flourish on cheap sugar are severely depressed, are working half-time in some cases, and in others are contributing to the already swollen ranks of the unemployed. Another consequence is that the openings in foreign markets which cheap sugar has enabled British manufacturers of jam, pickles, chocolate, mineral-waters, etc., to secure, are now being seized upon by the foreigners themselves. This is especially the case with the Swiss, who are taking all they can lay hands on of the 500,000 tons of bounty-fed sugar that Russia is prepared to sell, and who are busily ordering machinery and building factories for the preserving and candy businesses.

I have ventured to go into this matter so fully, not merely because it is at this moment fiercely debated in England, but because it is an invaluable object-lesson in the realities of Protection and Colonial Preference. No picture-in-little of what Mr. Chamberlain's policy actually results in could be more complete. With regard to other trades, his predictions are predictions merely. In the case of sugar, they have been brought to the test and found singularly false. The presumption is established that, could Mr. Chamberlain treat corn, and iron and steel, and so on, as he has treated sugar, the results would not be very different. For in the case of sugar we have seen Great Britain attempting to defend the Colonies against foreign countries, and to increase the trade between those Colonies and herself. We have seen her, for this purpose, interfering with the free and open market on which her commercial policy has rested for nearly sixty years. We were told that the West Indies and the sugar-refiners would benefit, and that the British public would not suffer. We now find that the British public has suffered to the extent of \$40,000,000 in a single year; that the West Indies have benefited to the

extent of possibly \$500,000; that the sugar-refiners are not nearly so important to the commercial prosperity of the country as the manufacturers who use sugar as a raw material, and need it at the lowest price if they are to hold their supremacy; and that, by shutting herself off from unhindered access to the cheapest market, Great Britain has done her rivals a great service and herself a great harm.

It is pretty well understood that the Government intends next session to introduce a Redistribution Bill. Whether it also intends to pass the Bill, or whether it is simply searching for a less obnoxious issue than the Fiscal question on which to appeal to the country; whether Mr. Chamberlain has agreed to support the Bill, and if so, on what terms—all this is at present guess-work merely. Some say that Mr. Balfour is confident he can rally the whole of the Unionist party to a Bill which, whatever it may be called, is really a Bill for the partial disfranchisement of Ireland, and that he will not only tide over next session, but that the spring of 1906 will still find him in power. Others again declare that Mr. Chamberlain realizes that if he consents to delay the General Election until a Redistribution Bill is passed, he would practically be confessing that his Fiscal policy has failed, and that, unless he can secure from Mr. Balfour some exceptionally satisfactory assurances on the major programme, he will take an early chance of forcing a dissolution. However this may be, the question of Redistribution is again to the fore. The facts which weigh with English statesmen and in English opinion are easily stated. England and Wales have a population of 32,527,000, Scotland of 4,472,103, and Ireland of 4,458,775. The registered electors for 1904 were in England and Wales, 5,643,170; in Scotland, 724,820; and in Ireland, 698,712. England and Wales contribute to Imperial expenditure 87.02 per cent. of the whole, Scotland 10.67 per cent., and Ireland 2.31 per cent. Nevertheless, while England and Wales are represented in the House of Commons by 495 members and Scotland by 72, Ireland sends to the Imperial Legislature no fewer than 103 representatives. If the proportions were to be adjusted in accordance with the number of registered electors, England and Wales would have 535 members or 40 more than at present, Scotland would have 69 members or 3 less than she has now, and Ireland 66, or 37 fewer than she now possesses. On a basis of population, Eng-

land and Wales should have 526 members, Scotland 72 and Ireland 72. At the very least, therefore, Ireland is overrepresented to the extent of 31 members.

Those who are made indignant by such facts as these will be further agitated to hear that the disparity between the largest and the smallest constituency in the United Kingdom is as 28 to one; that one-half of the 670 members represent 4,652,878 electors and the other half only 2,413,825; that one-half of the electors send 464 members to Parliament and the other half 206. It is taken for granted that any final and comprehensive Redistribution scheme would lop off 31 Irish seats and parcel them out among English constituencies that at present are under-represented. This could, of course, be done without in any way seeming to discriminate against the Irish just as the Southern States have disfranchised the negroes without once mentioning them. For instance, it could be done by providing that constituencies of less than 5,000 electors should cease to be represented and that constituencies of over 15,000 electors should return two members; but unless he is deliberately riding for a fall, I hardly expect Mr. Balfour to attempt anything so heroic as all that. It is well established that a great many English constituencies, especially in the neighborhood of London, are ludicrously under-represented; but the mainspring of any Redistribution Bill introduced by a Unionist Government will be the desire to decrease the number of Irish constituencies, rather than to increase the number of English constituencies. In some quarters, it is hoped that, whatever scheme is hit upon, room may be found in it for some such automatic readjustment as follows the decennial census in the United States.

The attitude of the Liberal party towards the whole question is clearly marked. To Redistribution as a principle they are not opposed; but to a Redistribution Bill simply brought forward to side-track the Fiscal question, they are absolutely hostile. Before any new measure of a large and complex character is brought forward, they hold that the Fiscal issue should be disposed of. In other words, their policy is Dissolution. If, however, Mr. Balfour refuses to dissolve and persists with his Redistribution scheme, the Liberals would insist on combining with it Registration reform. They would raise the old cry of "One man, one vote." Again, they would argue that, if there is to be Redistribu-

tion, it must be Redistribution all round, and that no scheme would be acceptable to them which was really used as a cloak for Irish disfranchisement. Furthermore, they would probably insist that, as the amount of Irish representation in Parliament was settled by the Act of Union, it could be reduced only by the consent of the Irish themselves. There is not really much soundness in this argument, but there is a good deal in the plea that Redistribution should only be proceeded with by unanimous agreement between the two great English parties. One may, therefore, take it that Mr. Balfour's scheme will meet with the most determined opposition. But the fate of the Bill is more likely to rest with Mr. Chamberlain than with the Liberals. If he gives the word, it can be carried. If he declines to support it, it cannot. There is, however, a third alternative. The Bill may be proceeded with just far enough to throw the Liberals and the Irish Nationalists once more into an alliance, and then withdrawn. Mr. Balfour might then appeal to the country on the off chance that the Irish question and the relations of the Liberals with the Nationalist party would revive the cry that "The Union is in danger!" and so obscure for a time the disastrous Fiscal issue.

BERLIN, December, 1904.

It was shown in a former communication that one of the immediate effects of the present war has been to throw into sharp relief the relations of the European Powers towards one another, and that already a distinct dislocation in the old grouping was noticeable—England and France, on the one hand, having established what is known as the *entente cordiale*, while Germany, conscious of the centrifugal agencies tending to weaken the Triple Alliance, has deliberately cast in her lot with Russia, thereby strengthening the reactionary forces of Eastern Europe as opposed to the democratic influences of the West. This displacement of the old balance of power has taken place so rapidly—almost, as it were, automatically—that it has escaped the notice of the general public, though it has long been the desire of England to live on terms of friendship with France, and of Germany to reinsure herself with her Eastern neighbor. And now that both England and Germany have secured allies,—all the more valuable perhaps in that, in both cases, the bond is one of

mutual interest and sympathy and is not elaborated upon paper, —a certain reaction is taking place, both Great Britain and Germany feeling that possibly they may have gone too fast, while the consequences, not altogether unforeseen, are making themselves rapidly felt. The Anglophobia of the Germans has generated a corresponding dislike and distrust of Germany in England; and, as Germany must now be placed in the Eastern constellation, it stands to reason that the national reciprocal antipathy of two such virile peoples as the English and the Germans constitutes a real source of danger to the permanent peace of Europe. This fact is now receiving the serious attention of all responsible statesmen in both England and Germany, who, alarmed at the unmistakable signs of growing hostility evinced by both peoples towards one another, are now casting about for ways and means to effect a better feeling, and establish somewhat less strained relations. For these relations are far from being satisfactory, nor do they tend to improve; rather is the contrary the case. It is, therefore, obvious that, with a Europe divided politically into two sharp divisions of East and West, and with the two most powerful nations in these two sections mutually distrusting and continually carping at one another, a situation is created which, from a chronic state of discord and friction, might easily lead to permanent estrangement and hostility, the ultimate issue of which might be of the gravest nature. England represents the West, Germany the East, of Europe. In this necessarily conflicting division, the hostility of any one side towards the other inevitably renders the problem of how to maintain peace infinitely more complex, and its issue infinitely more momentous. For this question of maintaining peace is, without doubt, the great problem of all statesmen of the present century. It is one which Governments will have to face, for the peoples of all nations are growing sick and tired of war.

In Europe the hope for peace lies largely in France. There is reason to believe that the fighting people of Europe today are no longer the French, but the Germans. To the latter permanent peace would constitute an insuperable bar to the realization of all Germany's ultimate aims and ambitions. The marvellous development of Germany since the creation of the Empire justifies her ambitions to a large extent; and, as Bismarckian policy is based in all its essentials upon the law of the

survival of the fittest, it is natural enough that the modern German, conscious of his vitality and creative energy, should look forward into the future with the eyes of a Napoleon, desirous above all things to expand, conquer and rule.

In many ways, Germany to-day is in somewhat the same position as was England at the beginning of Queen Victoria's reign. She is in process of development, and all within is restless and unsettled. Her economic conditions compel her to expand, but her tardy appearance upon the world's stage throttles her initiative. What with her present strength she could have accomplished thirty years ago by peaceful penetration, she could only acquire now by recourse to arms. She resembles a giant endowed by nature with every conceivable physical and intellectual advantage, yet who is forced to inaction and to live in cramped premises. She needs room, oversea possessions, and markets; and, if she fails to obtain them, her very existence as a world Power will be jeopardized, and the future of the German race blighted. This, the Pan-German idea, though not conceived by Bismarck, is now the root policy of modern Germany, and as such is accepted by the German people. It is a policy of peace and economic development, until the hour of striking is at hand. Based on force, which is also its justification, this policy will continue to mature until, by its very maturity, the good things of this world—the earth and its riches—fall naturally into its lap, or may be seized with impunity. To this end, the German fleet is being built. In the armed peace of the world, Germany is the central figure. The greater the duration of peace, the greater grow Germany's final chances; but it must be a peace maintained by the fear of war, and based on bloated armaments. And so Germany's rôle to-day is peaceful, for she lives for the future struggle which is to assure her position in the world.

With France, it is precisely the contrary. With that quick grasp of things and events peculiar to the nation, the French now realize that all hope of successfully attacking Germany and obtaining *la revanche* has practically vanished. War being now largely a question of numbers, it is obvious that, as the population of France recedes while that of Germany increases by leaps and bounds, France is annually less and less able to cope with Germany, and even now would be placed at a serious numerical disadvantage in the event of hostilities breaking out between

the two countries. Then, too, democracy is rising, and seems likely to prevail, despite Jesuitical influences and the convulsive agonies of a decayed and decadent aristocracy. And so the French have discovered peace, not so much from the fear of war, but rather from the growing conviction that they have little to gain and much to lose through war, while the higher interests of the nation are better served by dignified and honorable peace. Thus, disappointed in Russia, who has steadily declined to play the part of avenger, France has turned to England for refuge, in whom she sees—and rightly so—a natural ally in all her sympathies and ideals. And, as Russia declined to draw the sword at Fashoda, so France has proclaimed her sincerely peaceful proclivities by refusing to be drawn into the vortex of Russian Asiatic expansion. Never has the French nation been so peaceful as at the present moment. Never have *idéologues* and apostles of peace had more cause to rejoice than at this hopeful sign. For, with France and England desirous of peace, and inwardly determined to cooperate towards its maintenance, a real temple of peace is created which is likely to prove lasting.

The strength of the *entente* was signally evidenced in connection with the Hull incident, when, had France been in the very least maliciously inclined, war would inevitably have resulted. As it was, the French ambassador calmed the troubled waters, and made negotiations, even with the Russian Government half inclined to let things take their course, once more possible. Thus, despite the dangers attaching to the issue of the present war, so feared by all European statesmen, and the possibility of complications involving questions of vital national interests, the prospects of peace are growing more favorable, as the horrors and appalling calamity of modern warfare are brought home to all. In this sense the alliance between England and France can only work for good. It consolidates the West of Europe in a bond of self-interested peace, and links the two most highly civilized nations of Europe in chains of amity and goodwill. When the next Peace Conference is called, that joint influence will make itself felt in a manner undreamt of when last the nations met shyly together to quarrel over disarmament.

Those sceptics who smiled at the bare idea of the Second Peace Conference, that President Roosevelt has summoned, are likely to be genuinely astonished when the delegates of peace finally

meet together again and it is found how sincere is their desire to come to some rational agreement. If three such mighty peoples as the English, the French and the Americans then combine their energies to initiate an era of peace, it will go hard with them if their efforts are not crowned partially with success. The corner-stone of peace has been laid, and the solidarity of Western Europe must already be regarded as one of the most auspicious events of modern times.

It is for this reason, too, that the tension between England and Germany is so severely exercising the minds of German statesmen. The reasons for this estrangement are well known. Bitter animosity, born of envy and rancour, on the part of Germans towards everything English, and, on the side of England, commercial rivalry and growing distrust of German diplomacy, have, together with a series of untoward incidents and misunderstandings, contributed so to estrange the two nations that at this moment it is no exaggeration to say that the only people viewed with unfriendly eyes by Englishmen are the Germans, who entirely reciprocate that feeling. The result is that Germany finds her path obstructed, and, even in the byways of diplomacy, the passive resistance of England now has to be reckoned with.

Indeed, so much is this the case that German diplomatists make open complaint of the frigid reception accorded by England to all their overtures, while every suggestion put forward by Germany is immediately marked by England as a fresh cause for distrust. In the last few years, in particular, German diplomacy has repeatedly had to suffer a polite rebuff at the hands of England, who, in truth, is equally sincere in her cause of complaint. The German bogey is, in short, everywhere. If anything occurs to disturb the equal course of events, it is immediately ascribed to some artifice of the Wilhelmstrasse, which is commonly reported to be a very store-house of Machiavellian intrigue. Thus Germany is seriously believed in England to have brought about the Hull incident; and it is even contended by serious politicians that the German navy was only awaiting the signal to dash across and engage the Channel fleet. Needless to say, the German Emperor is far more astute than that. To risk the German fleet at this juncture would have been mid-summer madness, and as for the other matter, well, it is conceivable that German agents had a hand in the pother, but utterly

improbable that Admiral Rojestvensky was acting upon orders when he fired at the Hull trawlers, and still more so that the German Government was in any way privy to that outrage. Both suppositions should be dismissed as absurd. But it is a curious instance of the state of British feeling towards Germany, and justifies German official opinion in viewing the future with some nervousness. And so the German Government has determined to break with all the traditions of German diplomacy and proclaim to the world her friendship for England. As a set-off the German Chancellor, contrary to all custom, submitted to an interview which was immediately published in the "*Nineteenth Century*." In this interview, which Count von Bülow shortly afterwards justified in a speech in the Reichstag, the Chancellor delivered himself of a number of well-thought-out platitudes, and denied roundly all the many accusations levelled by English publicists at German diplomacy. This new departure in German policy seems to have had a good effect. It will be followed by various other official proclamations, while in England the cue has already gone forth in the London press to exercise moderation and cease from attacking German policy. This cue is likely to be followed, for Germany has given the British Government plainly to understand that, if the English press continues its assaults upon Germany, a counter attack would be initiated in the German press, the results of which might be very serious to both parties. There is, therefore, reasonable hope to believe that outwardly, at any rate, less will be said in the future about German intrigue, and duplicity towards England.

At the same time, it seems unlikely that England's distrust of Germany will give way to a renewal of that naïve confidence in the friendship of that country which characterized Lord Salisbury's era at the Foreign Office. Nor can Germany really hope entirely to regain that misplaced confidence, as the following well-authenticated instance of the value of German assurances will show. Even at the moment when Count von Bülow was assuring the world in the "*Nineteenth Century*" of Germany's friendship for England, and denying all breaches of neutrality in favor of Russia, a secret leaked out in diplomatic circles which caused considerable surprise and consternation. It referred to the much-questioned whereabouts of the notorious Russian vessels "*Smolensk*" and "*St. Petersburg*" after the dis-

graceful "Malacca" incident, when, as will be remembered, they disappeared round Aden and for a number of weeks were able to defy the vigilance of the English cruisers despatched to bespeak them and send them back to their own country. Suddenly, they were sighted off the coast of South Africa. "Where had they been hiding?" everybody asked, and still asks, not thinking of German possessions in those parts where, as a matter of fact, the two ships had all the time been in concealment, had taken in coal and provisions, and effected repairs. Now, this constitutes a grave breach of neutrality, and is only one other example of German friendship for Russia, and duplicity towards England. As often stated, Germany must choose between England and Russia; she cannot possibly be the loyal friend of both. And, as she has already decided for Russia and during the present war has given innumerable proofs of that friendship, England cannot be expected any longer to play the part of Germany's second fiddle, to be pulled out of its case only when the favorite one is somewhat out of tune. The press controversy may be stopped, and the relations between the two peoples once more placed upon a normal basis. But the future alone can show whether the respective destinies of England and Germany lie along divergent lines, and whether, if upon a converging plane, they must necessarily clash together.

ST. PETERSBURG, *December, 1904.*

At two o'clock in the afternoon of Saturday, November 19th, ninety-eight country gentlemen met together in a private flat on one of the quays of St. Petersburg to talk over the condition of Russia. They had no mandate from the people and no authorization from the Government, yet they hoped to change very radically the reciprocal relations of both. And, curiously enough, their gathering was a flagrant breach of Imperial "law," as it is now administered, and would a few months ago have made them inmates of prisons or exiles to Siberia. For, in Russia, the act of assembling to discuss politics is a heinous crime against the State, while the passing of resolutions circumscribing the God-given power of the Tsar and affirming the necessity of self-government by the people amounts to high treason of the blackest dye. If, therefore, the Zemstvo meeting had taken place early last July, the chief Minister, Plehve, would have smitten with

his thunderbolts the traitors who attended it, and struck terror into the millions who openly shared their ideas. But since Plehve disappeared there has been joy in Russia, whose national life, leavened with a little freedom, is now quickened, dilated, buoyant. And the ninety-eight individuals who preside over the elective, self-governing local councils, known as Zemstvos, fired by the new liberal spirit, felt it their duty to call attention to the alarming state of the country, and to propose measures for warding off a catastrophe.

Things had come to such a pass, they said, that any and every Russian who could descry the danger ahead was bound to give the alarm; and, as a Zemstvo Council was about to be held in Moscow to discuss provincial affairs, it occurred to them to deliberate on the public weal at the same time.

The Tsar and Prince Mirsky were aware of the intention of the Zemstvos, and the Minister kept in close touch with them throughout. The Emperor and the Grand-Dukes would gladly have dropped an extinguisher upon that dangerous flame, but, possessing none big enough, they feared they might burn their fingers badly in the attempt. For it is no longer a mere secret society, or a hole-and-corner opposition, which calls upon the ruler to let his power be limited, and exhorts his people to take part in the government of the country; it is the collective voice of all thinking Russia. Not all the prisons of the Tsardom, even were they emptied of common criminals, could hold the political misdemeanants who must be shut up if the leaders of the present movement were to be immured.

It was in Moscow, then, that the chiefs of the Zemstvos were to have assembled in defiance of the "law." But Prince Mirsky at once resolved to legalize the proceedings and shape them—not with any Machiavellian object, but from a sense of duty. He accordingly obtained power from the Tsar to convene the presidents in St. Petersburg, and to offer them a spacious Council Chamber in the Ministry of the Interior. They accepted this offer with gratitude. Their programme included among the subjects of debate the unbearable condition of the people, the disintegrating influence of the present régime, and the most effectual remedies. To this list of questions Prince Mirsky demurred. But the presidents would eliminate nothing. They refused even to put off the Convention until January, when his Majesty hoped he

might see his way to more definite action. Finally, the issues were referred to the Tsar himself.

Now, the attitude of the Tsar has generally been marked by irresolution and embodied in half measures. But in one respect he has never wavered; he takes the *rôle* of Autocrat most seriously, and will not surrender to man the power which he believes he has received from God. For Nicholas II., Constitutional Government is still wholly outside the pale of practical politics. For that reason, he forbade the presidents of the Zemstvos to come together in November, in January, or indeed at all, unless they first struck out of their programme all political questions. That they stubbornly refused to do.

The serenity of the Zemstvo leaders was not greatly ruffled by the Emperor's prohibition. Nor did they in the slightest degree modify their plan in consequence; the fatherland being in danger, they would meet, they said, at all hazards. Seeing that they meant what they said, Prince Mirsky suggested that, for an unauthorized congress, any provincial city would be better than the capital. But the organizers of the meeting refused to alter even that point of their programme. They did, however, undertake to deliberate in secret, and to exclude all outsiders from the council-chamber. The Minister then undertook that they should not be molested by the police, and to the Russian press he issued a stringent order to look the other way and ignore the assembly and all its doings and strivings. That is how Russia got her historic States-General together.

The members of this preparatory Congress were not daring radicals, with a strong infusion of the political martyr's spirit. A milder and more submissive set of men it would be hard to find anywhere, even in Russia. They all belong to the privileged class: all are landed proprietors, all members of the nobility. Many among them are Councillors of State, Privy Councillors, Excellencies, Counts and Princes, Chamberlains of his Imperial Majesty. One of the Vice-Chairmen was Prince Lvoff, one of the most eloquent orators was Count Heyden. None of them cherished republican aspirations, none displayed democratic tendencies. They thought and spoke as loyal subjects of the Tsar.

The deliberations lasted four days and culminated in a series of resolutions. All members were at one as to the grievances of the nation; the people are treated as helpless children, and

deprived of a share in conducting their own affairs; they are never allowed to meet and discuss their needs; an individual can be arrested and imprisoned at any moment and without trial; he has no liberty of conscience, nor of speech. This state of things was frankly avowed and deplored, and effectual remedies called for without a dissentient voice.

It was on the question of narrowing the powers of the Emperor and establishing a Constitutional Government that the Congress divided. And no wonder! All its members enjoy vast privileges, of which the Tsar is the source. They pay no direct taxes. They have always been exempted from corporal punishment. Their sons alone can enter the military, naval, and high law schools, which train the future commanders of the army and fleet and the high dignitaries of State. In a word, collectively and individually they had strong reasons for eschewing the questions of Autocracy and Representative Government. Indeed, their only motive for tackling those problems was pure humanity and sympathy for the wretched peasants; yet they sacrificed their personal interests to the just claims of their fellows. The source whence they drew their strength was the new-born spirit of the nation. By a majority of 71 against 27 the Congress demanded Constitutional Government.

That such a claim should have been put forward as irreducible by very moderate members of the nobility is the most pregnant event of Russian history since the days of Peter the Great. For those improvised congressmen are by far the most conservative elements of society; behind them press strenuously forward the crowds whose temper is become electric, whose wild democratic instincts stifle all arguments of political wisdom. The smallest concessions, then, which, in the belief of the Tsar's henchmen and lieges, can save the nation from disaster include the abolition of Autocracy and of class distinctions, as well as a number of other liberal measures which form the alpha and omega of the wished-for Constitutional Charter. Representative Government and national ruin are the alternatives between which the Russian people must choose. That in brief is the meaning of the resolutions passed by the Congress on the Fontanka.

Another most significant sign of the new time is the *rôle* which has been deliberately assigned to the Tsar. Minister and congressmen have both placed him face to face with the people. It

was he, and not Prince Mirsky, who forbade the Zemstvo presidents to meet officially. It was to the Tsar that the congressmen sent their resolutions, the Minister promising to lay them before him. It is he, and only he, who can give effect to the demands of the Convention. Henceforth, therefore, Nicholas II. is deprived of a Ministerial screen. He alone *can* do wrong in Russian politics. If he withhold the reforms, he is personally responsible to the people; and even now the people are openly mooting the contingency in terms which are unwonted and disquieting. For, to be frank, the Emperor is eminently unpopular. Four years ago he was set down as weak-willed but well-meaning, the hypnotized victim of a strong and unscrupulous Grand Vizier. To-day he is spoken of as an obstacle to all popular progress.

He is now known to have provoked the war without willing it, as a child might set fire to gunpowder without wishing to cause an explosion. His Viceroy Alexeyeff has ungenerously allowed it to be known that, after Japan had broken off diplomatic negotiations, a telegram was sent to him from St. Petersburg assuring him that war was out of the question. For that reason he took no special precautions by way of preparing for it. Now the Ministry of Foreign Affairs denies all knowledge of that despatch, which can have been forwarded only by the Tsar. And on the evening of the day when his Majesty sent it, the Russian Squadron at Port Arthur was attacked and damaged by the Japanese. Again it is a matter of public knowledge that it was the Russian monarch who indirectly helped the Japanese by hampering Kuropatkin and subjecting his plans to the criticism of an Admiral. It is further complained that the Russian soldiers have rarely clothing or food enough; that the wounded have often to lie for days without medical treatment, many of them dying slowly in unspeakable agony; that the convalescent are literally starved on the way home, and that the Imperial house offers no help. These facts are known and, despite the efforts of the Censorship, have been published. Yet the Dynasty, and only the Dynasty, insists on carrying on the war to the end. Members of the Imperial family run no risks, make no sacrifice, give neither their blood nor their work nor their substance for the success of a policy which is theirs and not the people's. The Emperor and his kindred have not bestowed even a money donation upon the active army, or upon the wounded who are suffer-

ing or dying for their cause. They have, however, exhorted the people to subscribe largely and have bitterly upbraided them for not subscribing enough.

At present Tsar and Zemstvo stand confronting each other. Behind the Zemstvo are the thinking elements of the nation. Behind the Autocrat his army, his police, his spies, his heavy guns, magazine rifles, formidable prisons, gold and silver, telegraphs, railways, and all the resources of applied science. The first question which presents itself is whether those two parties will compose their quarrel peaceably or resort to violence. To this query no definite answer is as yet possible. Everything depends upon the mood of the Tsar, the motives to which he is peculiarly susceptible, and the force with which these motives are set before him. There are, however, many and interesting data which tend to reveal the direction in which he is naturally and deliberately disposed to move. And the general conclusion from all these is that, while willing to make the effort requisite to don the velvet glove, he will not dispense with the iron hand. It follows that Prince Mirsky's *rôle* is to purchase by honied words the public tranquillity and loyalty which the Russian people is minded to exchange only for serious concessions embodied in permanent institutions. For as yet there has been no modification of system, nothing but a gentler way of applying Draconian legislation. Here are a few illustrations:

Certain exiles have been allowed to return from Siberia or abroad and certain prisoners have been released from their cells in Russia. This humane measure sounds well in a telegram to the American or European press. But in Russia it imposes upon no one. For those favored "criminals" constitute only a fraction of the legion whom Plehve arrested and spirited away without trial. At this moment, there are political suspects in the Moscow prison who deserve justice if not mercy, young fellows who, in any free country, would be in the vanguard of progress. They were arrested at various times, on the secret reports of spies, on the anonymous accusations of private and spiteful enemies or through the excessive zeal of the police. Some have been immured six months; others ten, twelve, sixteen months; and one for over two years. But none of them has had a chance of defending himself. On November 22d, they one and all refused their food and resolved to die of hunger unless the Government

promised to bring them to trial before February 14th next. On December 1st, four of them were set free altogether, nothing being alleged against them. The remainder are still in their cells, emaciated but resolute; for this is the tenth day of their black fast. Their mothers, their sisters, their friends are rushing about from salon to salon, beseeching influential personages, not indeed to have them released, but only to have them tried. The system under which they were kidnapped and buried alive still subsists. Is it likely that the Tsar will grant representative Government?

Again, the army of the secret police has not been disbanded. Where two or three Russians are gathered together in the name of pleasure, business or duty, at least one of those Judases is in the midst of them. They worm themselves into the confidence of private people, read their letters, pry into their secrets and sometimes endeavor to make money or to gratify passions by help of the insight which they gain into family affairs. Sometimes when these professional traitors have a grudge against a man who chances to be in their way, or a woman who rejects their infamous overtures with scorn, they, so to say, press a button and the Imperial machinery does the rest. Now these secret legionaries are well fed, well clad, well paid and cost the State millions every year, while the heroes of Turenchen, Tashichao, Laoyan, are being sent home in open goods-wagons, left for several days without warm food of any kind, and fed during the journey on less than two pounds of black bread a day.* This happened and happens, not at the front, but in Russia where food is plentiful. Most of the wounded are treated in the same way. And the circumstance that the Tsar, who has given nothing from the State revenue nor from his privy purse to alleviate the sufferings of these heroes, refuses to allow his army of spies to have a dollar taken from their salaries, is bitterly commented upon as symptomatic.

Another of those straws which show the quarter whence the wind blows is the circumstance that one of the Zemstvo men has been dismissed from the high school of law where he had a chair, because he took part in the Congress. Professor Nabokoff, son of

* "*Russkia Vedomosti*," 5th November, 1904. One soldier, wounded in the jaw-bone and throat, could drink only milk; yet all his daily allowance was but enough for one glass and a quarter of milk daily.

the late Minister of Justice and colleague of Professor Martens, has just been compelled to tender his resignation.

As for the Russian people, they are, so to say, on fire. All sections of society, all classes of the population, avail themselves of the slightest pretext to come together and demand the abolition of one-man power. The lawyers of St. Petersburg are about to sign a petition praying for constitutional Government. The working-men are organizing a vast manifestation in favor of representative institutions. Authors are propagating liberal doctrines throughout the Empire. Journalists vie with authors. Municipalities, guilds, benevolent associations, are seconding the demands of the *Zemstvos*. A section of students have published a manifesto in which they proclaim that Autocracy must cease to be, "the infamous war must be stopped, and a Constitutional Assembly immediately convoked."

Such is the temper of the two forces which now face each other with unfriendly feelings. On which side is victory likely to smile? It has often been affirmed that a hundred thousand disciplined men directed by a central despotism can keep in check a hundred millions who lack organization and training. But that is only the mechanical aspect of the problem. In a similar way, assuming that it takes a hundred workmen twelve hours to build a wall, it may be correct to infer that two hundred will do it in six hours; but surely it would be rash to conclude that 144,000 masons could accomplish the task in half a minute. So we can say of the Russian people that it cannot effect a revolution in the historical, French sense of the word. But it would be unwise to add that its efforts are doomed to utter failure. In all such problems the unknown factors are many and their force incalculable.

Prince Mirsky is not regarded as a hindrance to progress. His views are known, his methods are liked, his honesty is recognized and appreciated. And moderate men would be relieved to feel that the Autocrat upon whose fiat so much depends will take his cue from the Minister. But whether he concedes reform or withholds it, is immaterial to the final results. If he be in a yielding mood, the change now inevitable will be gradual, peaceful, moderate; otherwise it will come later, suddenly and with revolutionary thoroughness. In any case, the sands of autocracy seem to have run down, and Nicholas II. is probably the last absolute monarch of all the Russias.

WASHINGTON, *December, 1904.*

THE President's annual message and the reception which it has met with from the Federal Legislature and throughout the country are events which obviously have both a direct and an indirect effect on the actual and prospective relations of the United States to foreign countries. Clearly, therefore, they are events which belong to the domain of "world-politics." Not, of course, that the whole of the message would be thus described in ordinary parlance. Nobody, for instance, in any European capital is concerned, even remotely, in the preservation of our forests, in our method of dealing with the public lands, in our treatment of the Indians, in our game-preserves, in the species of local self-government that may be given to Alaska, or in our pension system, except so far as the vast sum annually allotted to it may be deemed to cripple our Treasury for other purposes. It is otherwise, of course, with the disclosure of the policy which the President means to follow with reference to the great Powers of Europe and Asia, and with regard to Latin-American republics. It is manifest that foreign onlookers are keenly interested also in learning what steps will be taken to assure an effective prosecution of our policy by means of a strong navy and of an army which, though not large, should be efficient and capable of quick expansion. What we mean to do about the Philippines is likewise a matter of manifest moment to all the countries concerned in the development of the Far East. It is clear, moreover, that indirectly foreign nations may be affected by the extension of our cultivable area by irrigation, and by improvements in our methods of agriculture, for thus our capacity for purveying food staples and raw products will necessarily be augmented. Nor is it only our increasing qualifications for the production of manufactures, as well as of food and raw materials, that foreigners will scan with curiosity. They also recognize that our exports might be materially influenced by changes in our arrangements for internal transportation. They cannot, therefore, view with indifference the President's recommendation that the Interstate Commerce Commission should be invested with the power to fix railway rates. It is solely from the view-point of their relation to world-politics and world-economics that we purpose here to mark some of Mr. Roosevelt's suggestions.

That part of Mr. Roosevelt's exceptionally long but unusually

interesting message which discusses our foreign relations has by no means given unqualified satisfaction to foreign diplomatists and newspapers. They do not, and cannot, indeed, object to what the President has to say about the duties of a highly enlightened nation, chief of which is the avoidance of helplessness by the maintenance of naval and military armaments commensurate with its responsibilities. Who will dispute the assertion that the goal which should be set before us as a nation, the goal which should be set, in truth, before all mankind, is the attainment of the "peace of justice," the peace, that is, which comes when each nation is not merely safeguarded in its own rights, but scrupulously recognizes and performs its duty toward other peoples? Evidently, Mr. Roosevelt would not, for a moment, deny that, as a rule, peace makes for righteousness, but he submits that, whenever there is conflict between the two things, our fealty is due, first, to the cause of righteousness. Better a righteous war than a pusillanimous peace. Neither is it doubtful that the right to be free cannot be divorced from the will and the power to defend that right. Freedom, as one of our poets has said, is not a gift that tarries long with cowards. That we may be prepared to protect our interests, and to perform the duties imposed upon us as humane and enlightened citizens of the world, Mr. Roosevelt insists that there should be no halt in the work of upbuilding the American navy, and that our existing standing army should be unreduced in point of size, and so perfected in efficiency as to be at least the equal of any body of troops of the same number belonging to any other nation upon earth. It would be, as Mr. Roosevelt says, not merely unwise, but contemptible, for a commonwealth, as for an individual, to use high-sounding language in proclaiming purposes or in assuming positions that can only be sustained by force, and then to fail to provide the force. But, while emphasizing the need of "carrying a big stick," the President dwells upon the proofs given by our Government of the sincerity of its wish to minimize the temptation to use it, by proposing a second peace conference at The Hague, and by negotiating treaties of arbitration with all Powers which are willing to enter into such agreements.

So far there can be no possible objection to Mr. Roosevelt's conception of the principles which should govern our foreign relations. Nor is it a question of substance so much as of form

which is mooted by those foreign diplomats who raise their eyebrows at the curtness and unconventional frankness with which the President refers to a matter which has caused our State Department's representatives in Russia a good deal of trouble. We allude to the difficulty encountered by our Ambassadors at St. Petersburg in securing for our Jewish fellow citizens the right to receive passports and to travel through Russian territory. Mr. Roosevelt does not hesitate to say that not only is the obstruction which that right has experienced unjust and irritating toward us, but the wisdom of it from Russia's standpoint is not easily discernible. He declares that "no conceivable good is accomplished by it." Mr. Roosevelt is not the first man to flutter the dove-cotes of diplomacy by acting on the assumption that much valuable time may be saved by blunt truth-telling. Bismarck was notorious for rude veracity, but we never heard that he or his country lost anything by it.

It is easy to understand why Mr. Roosevelt's definition of the way in which the Monroe Doctrine will be construed during his administration should be eyed with disfavor at Berlin, but it is at the first glance difficult to see why it should also have given offence to many London newspapers. If, however, the long paragraph relating to this subject be read with care, the reader will arrive, we think, at the conclusion that Mr. Roosevelt has done a good deal of thinking about the future of this continent during the last twelvemonth, and that he does not purpose again to countenance such a partial confiscation of an American republic's revenues for the payment of ordinary debts as was practised by the blockading Powers in the case of Venezuela. We do not for a moment imagine that Mr. Roosevelt would dispute the right of any self-respecting Power, whether European or American, to exact by force a reasonable reparation for any insult offered to its flag or to its official representatives, or for any injury done by violence to the life or property of one of its citizens or subjects. But, when it comes to sequestrating the whole or a part of the customs income of one of our sister commonwealths for the purpose of compelling the payment of debts arising out of contracts, it is pretty clear that Mr. Roosevelt has made up his mind to be himself the sequestrator. Now that, apparently, it has been established, by the Venezuela precedent, that an American republic, if it default in the payment of its bonds, or of any other debt

arising out of contract, must be placed, like Egypt, in the hands of a receiver, it is, evidently, best for the debtor community and for the whole Western Hemisphere that the receiver shall be the United States. We could be trusted to collect and handle the revenues honestly, to discharge as promptly as possible the obligations of the debtor state, and, when our task was done, to restore the mortgaged custom-houses to their owners. We could be trusted; for, undoubtedly, Mr. Roosevelt speaks the truth when he denies that the United States feels any land-hunger, or entertains any project as regards the other nations of the Western Hemisphere, save such as are for their welfare. The promulgation of such a self-denying ordinance is in no wise inconsistent with the subsequent declaration that a failure to meet its obligations may entail interference from the United States with a Latin-American republic. The very determination to adhere in spirit and letter to the Monroe Doctrine may force the United States, however reluctantly, to exercise an international police power in such cases of wrong-doing, or of impotence—for “impotence” read “a failure to pay debts”—as, according to a recent precedent, would warrant an injured or creditor Power in the application of pressure by blockade and sequestration. It should be observed that Mr. Roosevelt is careful to say that we should interfere with neighboring commonwealths only in the last resort, and then only if it became evident that their inability or unwillingness to do justice at home and abroad had violated the rights of the United States, or had invited foreign aggression to the detriment of the entire body of American nations.

We have said that, indirectly, all foreign countries that see in us either purveyors of food staples and raw materials, or competitive producers of manufactures, are keenly concerned in learning whether, by changes in our rates of inland transportation, those commodities can be delivered on shipboard in our harbors more cheaply than they can now. In other words, a world-wide interest attaches to Mr. Roosevelt's proposal that Congress should clothe the Interstate Commerce Commission, not only with the power (which it possesses) to declare a given railway rate unreasonable, but also to say what, *prima facie*, should be the reasonable maximum rate for the transportation in question. As a matter of fact, bills embodying like proposals were introduced in both Houses of Congress during the last session,

but both were pigeon-holed. We should probably have heard no more of those or similar projects but for the peremptory way in which the President has brought them to the front. Nothing could be more unequivocal and resolute than his language on the subject. He tells the Federal legislators that, above all else, they must try to keep the highways of commerce open to all citizens on equal terms; to do which it is indispensable to abolish absolutely all rebates. Whether the shipper or the railroad is to blame makes, he says, no difference; the rebates must be stopped, and the abuses of the private freight-car, private terminal-track and private side-track systems must be abated. In other words, the Fifty-eighth Congress must enforce its own legislation, enacted at a previous session, which declares it to be unlawful for any person or corporation to offer, grant, give, solicit, accept or receive any rebates, concessions or discriminations in respect of the transportation of any property in interstate or foreign commerce, whereby such property shall, by any device whatever, be transported at a less rate than that named in the tariff published by the common carrier.

The objections to investing the power proposed by the President in the Interstate Commerce Commission are many and cogent, one of the strongest being the omission to safeguard railroads against loss in the event that the rate fixed by the Commission should, on appeal, be adjudged unreasonable by a court of review. If private corporations are to be deprived of the right to manage their own business, as, of course, they are when they are forbidden to name the price for which they will render services, it is evidently of vital moment to them that the greatest precautions should be taken to guarantee them against the calamitous consequences of incompetence or injustice on the part of the official framers of rates. This has become so clear to Mr. Roosevelt himself and to the leaders of the Republican majority in Congress that there seems to be a general inclination to agree upon a species of compromise. What this compromise may be is outlined in an interview by Secretary of the Navy Morton, who has been a railroad man all his life, and, as such, has been forced to ponder anxiously the problem of rates. Mr. Morton describes as "behind the times" those railroad men who deem an attempt to introduce government supervision of rates a mischievous and meddlesome impertinence. He points out that, not only are rail-

ways owned by the Government in several European countries, but even in many of our own States the rates are fixed by railroad commissions. It is pronounced ridiculous to assert that the Federal Government has not the power to do with interstate or foreign commerce what the States themselves may do with traffic transacted inside their borders. Besides, the die is already cast. Not only has the giving or receiving of rebates been made unlawful, but the Interstate Commerce Commission has been already clothed with the negative power to declare a particular rate unreasonable, and needs only to be invested with the positive power to substitute a rate which it regards as reasonable. Mr. Morton, however, though he would place the power of readjusting railway rates in the hands of the Interstate Commerce Commission, recognizes, as being himself a practical railroad man, that it would not be equitable to have the new rate decreed by the Commission go into effect immediately, and stand till a court of review should ultimately render a decision. Under such circumstances, a railroad would have no redress for a mistake committed by the Commission; it could never recover the lost earnings if a court of review were to hold that the original rate was reasonable. Secretary Morton, therefore, suggests an arrangement by which, if a given rate should be pronounced unreasonable by the Commission, the railroad should be permitted to go on charging the original rate on filing an indemnifying bond sufficient to cover the sums involved. If the final decision rendered by a court of review should go against the road, the defeated litigant would simply refund the difference between the old rate and the new. For the purpose of arriving promptly at a definite decision, Mr. Morton would create an Interstate Commerce Court of three judges, to sit at Washington, and, as a reviewing tribunal, hear all cases arising under the proposed law (the law giving the Commission power to substitute a rate for one declared unreasonable) without appeal to the Supreme Court of the United States, except when questions of constitutional interpretation should be raised. There is no doubt that this matter of delegating the fixing of railway rates to a commission or court has been made by Mr. Roosevelt the question of the hour in the United States, and that the solution of the problem will be watched with lively interest in all those European countries where the railways are not owned and operated by the Government.